

ORDER SUMMARY – Case Number: C-10-390

Name(s): The Law Offices of Kramer & Kaslow, P.C.
Philip A. Kramer

Order Number: C-10-390-14-FO01

Effective Date: October 8, 2014

License Number: Unlicensed
Or NMLS Identifier

License Effect: N/A

Not Apply Until: October 8, 2019

Not Eligible Until: October 8, 2019

Prohibition/Ban Until: October 8, 2019

Investigation Costs	\$2,052	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$9,000	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$2,800	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:		1		

Comments: Respondents must cease and desist from engaging in the business of a mortgage broker or loan originator and
maintain records in compliance with the Mortgage Broker Practices Act.



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

No.: C-10-390-14-FO01

THE LAW OFFICES OF KRAMER &
KASLOW, P.C., and
PHILIP A. KRAMER, Owner,

FINAL ORDER

Respondents.

I. DIRECTOR'S CONSIDERATION

Procedural History. This matter has come before the Director of the Department of Financial Institutions of the State of Washington ("Director"), pursuant to RCW 34.05.464. On April 2, 2013, the Director, through his designee, Consumer Services Division Director Deborah Bortner, issued a Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist Business, Prohibit from Industry, Order Restitution, Impose Fine, and Collect Investigation Fee ("Statement of Charges") against The Law Offices of Kramer & Kaslow, P.C. ("Respondent K & K") and Philip A. Kramer ("Respondent Kramer"). On June 5, 2013, the Department of Financial Institutions ("Department") served Respondents K & K and Kramer with the Statement of Charges and accompanying documents, sent by First-Class mail and Federal Express overnight delivery. The Statement of Charges was accompanied by a cover letter dated June 4, 2013, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents K & K and Kramer. On June 11, 2013, Respondents K & K and Kramer filed Applications for Adjudicative Hearing. On August 13, 2013, the Department made a request to the

Office of Administrative Hearings ("OAH") to assign an Administrative Law Judge ("ALJ") to schedule and conduct a hearing on the Statement of Charges. On September 13, 2013, OAH issued a Notice of Conference assigning ALJ Lisa Dublin ("ALJ Dublin") to preside over prehearing and hearing proceedings and issue an Initial Decision. The Notice of Conference also scheduled a prehearing conference on October 3, 2013, at 1:00 p.m.

On October 3, 2013, all parties attended a telephonic prehearing conference. On October 10, 2013, ALJ Dublin issued a Notice of Hearing and Prehearing Conference Order scheduling a hearing from April 7 through 9, 2014.

On April 7, 2014, all parties attended the hearing telephonically. On June 6, 2014, ALJ Dublin issued a Findings of Fact, Conclusions of Law, and Initial Order ("Initial Decision and Order"). On June 6, 2014, ALJ Dublin mailed the Initial Decision and Order to Respondents K & K and Kramer. This Initial Decision and Order -

- Found that Respondents provided residential loan modification services to Washington consumers while not registered as a mortgage broker or loan originator in the State of Washington, in violation of RCW 19.146.200(1).
- Found that Respondents made deceptive and/or misleading statements of material fact, or omission(s) of material fact, in connection with the provision of residential loan modification services to [REDACTED], in violation of RCW 19.146.0201.
- Found that under RCW 19.146.220(4), the Department may properly order Respondents to cease and desist from any further violation of Chapter 19.146 RCW.
- Found that under RCW 19.146.220(5), the Department may properly prohibit Respondents from participating in the conduct of the affairs of a licensed mortgage broker.

- 1 • Found that under RCW 19.146.220(2), the Department may properly hold
2 Respondents jointly and severally responsible for paying restitution to [REDACTED]
3 in the amount of \$2,800.
- 4 • Found that under RCW 19.146.220(2), the Department may properly hold
5 Respondents jointly and severally responsible for paying a fine to the Department in
6 the amount of \$9,000.
- 7 • Found that under RCW 19.146.228, the Department may properly hold Respondents
8 jointly and severally responsible for paying investigative costs of \$2,052.
- 9 • Found that under RCW 19.146.060, WAC 208-660-450, and WAC 208-660-510, the
10 Department may properly order Respondents to (a) maintain records in compliance
11 with the Mortgage Broker Practices Act, (b) provide the Department the name and
12 contact information for the person responsible for maintaining such records, and (c)
13 provide the Department the location of such records as maintained.

14 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondents K & K and Kramer had
15 twenty (20) days from the date of service of the Initial Decision and Order to file a Petition for
16 Review of the Initial Decision and Order. Respondents K & K and Kramer did not file a Petition for
17 Review during the statutory period.

18 A. Record Presented. The record presented to the Director for his review and for entry of
19 a final decision included the following:

- 20 1. Statement of Charges, cover letter dated June 4, 2013, and Notice of Opportunity
21 to Defend and Opportunity for Hearing, with documentation of service.
- 22 2. Applications for Adjudicative Hearing for The Law Offices of Kramer & Kaslow,
23 P.C. and Philip A. Kramer.
- 24 3. Request to OAH for Assignment of Administrative Law Judge.

4. Notice of Hearing and Prehearing Conference Order dated September 13, 2013, with documentation of service.
5. Notice of Hearing and Prehearing Conference Order dated October 10, 2013, with documentation of service.
6. Notice of Conference dated March 11, 2014, with documentation of service.
7. Notice of Hearing dated March 31, 2014, with documentation of service.
8. Findings of Fact, Conclusions of Law, and Initial Order, dated June 6, 2014, with documentation of service.

B. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.461, the Director hereby adopts the Findings of Fact, Conclusions of Law, and Initial Order, which is attached hereto.

II. FINAL ORDER

Based upon the foregoing, and the Director having considered the record and being otherwise fully advised, NOW, THEREFORE:

A. IT IS HEREBY ORDERED, That:

1. Respondents Law Offices of Kramer & Kaslow, P.C. and Philip A. Kramer cease and desist from engaging in the business of a mortgage broker or loan originator.
2. Respondents Law Offices of Kramer & Kaslow, P.C. and Philip A. Kramer are prohibited from participation, in any manner, in the conduct of the affairs of any mortgage broker subject to licensure by the Director for a period of five (5) years.
3. Respondents Law Offices of Kramer & Kaslow, P.C. and Philip A. Kramer shall jointly and severally pay to the Washington State Department of Financial Institutions, within thirty (30) days of receipt of this order, a fine of Nine Thousand Dollars (\$9,000).
4. Respondents Law Offices of Kramer & Kaslow, P.C. and Philip A. Kramer shall jointly and severally pay to the Washington State Department of Financial Institutions, within thirty (30) days of receipt of this order, an investigation fee of Two Thousand Fifty Two Dollars (\$2,052)¹.

¹ The combined fine and investigation fee may be paid together in the form of a cashier's check in the amount of \$11,052 made payable to the "Washington State Treasurer".

1 5. Respondents Law Offices of Kramer & Kaslow, P.C. and Philip A. Kramer shall
2 jointly and severally pay Two Thousand Eight Hundred Dollars (\$2,800) in
3 restitution to [REDACTED]

4 6. Respondent The Law Offices of Kramer & Kaslow, P.C., its officers, employees,
5 and agents maintain records in compliance with chapter 19.146 RCW, the
6 Mortgage Broker Practices Act (Act) and provide the Director with the location of
the books, records and other information relating to Respondent The Law Offices
of Kramer & Kaslow, P.C.'s provision of residential mortgage loan modification
services in Washington, and the name, address and telephone number of the
individual responsible for maintenance of such records in compliance with the Act.

7 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents K & K and Kramer have
8 the right to file a Petition for Reconsideration stating the specific grounds upon which relief is
9 requested. The Petition must be filed in the Office of the Director of the Department of Financial
10 Institutions by courier at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O.
11 Box 41200, Olympia, Washington 98504-1200, within ten (10) days of service of the Final Order
12 upon Respondents K & K and Kramer. The Petition for Reconsideration shall not stay the
13 effectiveness of this order nor is a Petition for Reconsideration a prerequisite for seeking judicial
14 review in this matter.

15 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the
16 date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a
17 written notice specifying the date by which it will act on a petition.

18 C. Stay of Order. The Director has determined not to consider a Petition to Stay the
19 effectiveness of this order. Any such requests should be made in connection with a Petition for
20 Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

21 D. Judicial Review. Respondents K & K and Kramer have the right to petition the
22 superior court for judicial review of this agency action under the provisions of chapter 34.05 RCW.
23 For the requirements for filing a Petition for Judicial Review, see RCW 34.05.510 and sections
24 following.

1 E. Non-compliance with Order. If Respondents K & K and Kramer do not comply with
2 the terms of this order, including payment of any amounts owed within thirty (30) days of receipt of
3 this order, the Department may seek its enforcement by the Office of the Attorney General to include
4 the collection of the fines and fees imposed herein. The Department also may assign the amounts
5 owed to a collection agency for collection.

6 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial
7 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
8 attached hereto.

9 DATED this 8th day of October, 2014.



11 STATE OF WASHINGTON
12 DEPARTMENT OF FINANCIAL INSTITUTIONS

13 [REDACTED]
14 SCOTT JARVIS
15 Director

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES**

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

THE LAW OFFICES OF KRAMER & KASLOW,
P.C., and PHILIP A. KRAMER, Owner,

Respondents.

No. C-10-390-13-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO CEASE AND DESIST
BUSINESS, PROHIBIT FROM
INDUSTRY, ORDER RESTITUTION,
IMPOSE FINE, AND COLLECT
INVESTIGATION FEE

INTRODUCTION

Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 19.146 RCW, the Mortgage Broker Practices (Act). After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as of the date of this Statement of Charges, the Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. The Law Offices of Kramer & Kaslow, P.C. (Respondent Law Offices of Kramer & Kaslow) has never been licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker or loan originator.

B. Philip A. Kramer (Respondent Kramer) is the Owner of Respondent Law Offices of Kramer & Kaslow. During the relevant time period, Respondent Kramer was not licensed by the Department to conduct business as a mortgage broker or loan originator.

1.2 Unlicensed Activity. Between at least February and November 2010, Respondents were offering residential mortgage loan modification services to Washington consumers on property located

1 in Washington State. Respondents entered into a contractual relationship with at least three
2 Washington consumers to provide those services and collected an advance fee for the provision of
3 those services. The Department has received at least three complaints from Washington consumers
4 alleging Respondents provided or offered to provide residential mortgage loan modification services
5 while not licensed by the Department to provide those services. A list of Washington consumers with
6 whom Respondents conducted business as a mortgage broker or loan originator, and the amount paid
7 by each is appended hereto and incorporated herein by reference.

8 **1.3 Misrepresentations and Omissions.** Respondents represented that they were licensed to
9 provide the residential mortgage loan modification services or omitted disclosing that they were not
10 licensed to provide those services.

11 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the
12 Act by Respondents continues to date.

13 II. GROUNDS FOR ENTRY OF ORDER

14 **2.1 Mortgage Broker Defined.** Pursuant to RCW 19.146.010(14) and WAC 208-660-006,
15 "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of
16 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage loan
17 or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a person
18 in obtaining or applying to obtain a residential mortgage loan. Pursuant to WAC 208-660-006, a
19 person "'assists a person in obtaining or applying to obtain a residential mortgage loan' by, among
20 other things, counseling on loan terms (rates, fees, other costs), [and] preparing loan packages...."

21 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11), "loan originator" means a
22 natural person who for direct or indirect compensation or gain, or in the expectation of direct or
23 indirect compensation or gain: takes a residential mortgage loan application for a mortgage broker;
24

1 offers or negotiates terms of a mortgage loan; or holds themselves out to the public as able to perform
2 any of these activities.

3 **2.3 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents
4 are in apparent violation of RCW 19.146.0201(2) & (3) for engaging in an unfair or deceptive practice
5 toward any person and obtaining property by fraud or misrepresentation.

6 **2.4 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual
7 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)
8 for engaging in the business of a mortgage broker for Washington residents or property without first
9 obtaining a license to do so.

10 **2.5 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual
11 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)
12 for engaging in the business of a loan originator without first obtaining and maintaining a license.

13 **2.6 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW
14 19.146.060 and WAC 208-660-450, Respondents are required to keep all books and records in a
15 location that is on file with and readily available to the Department until at least twenty-five months
16 have elapsed following the effective period to which the books and records relate.

17 **III. AUTHORITY TO IMPOSE SANCTIONS**

18 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the
19 Director may issue orders directing any person subject to the Act to cease and desist from conducting
20 business.

21 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
22 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker
23 any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or
24 (13), or RCW 19.146.200.

1 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
2 restitution against any person subject to the Act for any violation of the Act.

3 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
4 against any person subject to the Act for any violation of the Act.

5 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), and WAC 208-
6 660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time devoted
7 to an investigation of any person subject to the Act.

8 **IV. NOTICE OF INTENT TO ENTER ORDER**

9 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as
10 set forth above constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221,
11 and RCW 19.146.223. Therefore, it is the Director's intent to ORDER that:

12 **4.1** Respondents cease and desist engaging in the business of a mortgage broker or loan originator.

13 **4.2** Respondents be prohibited from participation, in any manner, in the conduct of the affairs of
14 any mortgage broker subject to licensure by the Director for a period of five years.

15 **4.3** Respondents jointly and severally pay restitution to the three consumers identified by the
16 Department in Appendix A in the amount set forth therein, and that Respondents jointly and
17 severally pay restitution to each Washington consumer with whom they entered into a contract
for residential mortgage loan modification services related to real property or consumers
located in the state of Washington equal to the amount collected from that Washington
consumer for those services in an amount to be determined at hearing.

18 **4.4** Respondents jointly and severally pay a fine, which as of the date of this Statement of Charges
19 totals \$9,000.

20 **4.5** Respondents jointly and severally pay an investigation fee, which as of the date of this
21 Statement of Charges totals \$3,100.

22 **4.6** Respondents maintain records in compliance with the Act and provide the Department with the
23 location of the books, records and other information relating to Respondents' provision of
24 residential mortgage loan modification services in Washington, and the name, address and
telephone number of the individual responsible for maintenance of such records in compliance
with the Act.

1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW
3 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter 34.05
4 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as
5 set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING
6 accompanying this Statement of Charges.

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8 Dated this 2nd day of April, 2013.



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DEBORAH BORTNER
Director, Division of Consumer Services
Department of Financial Institutions

Presented by:

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DEVON P. PHELPS
Financial Legal Examiner

Approved by:

CHARLES E. CLARK
Enforcement Chief

1 RESTITUTION

2 CONSUMER

AMOUNT

3 C.C.

\$2,800

4 D.N.

\$2,500

5 G.P.

\$6,750